



2013 Annual Report

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Celebrating 25 Years

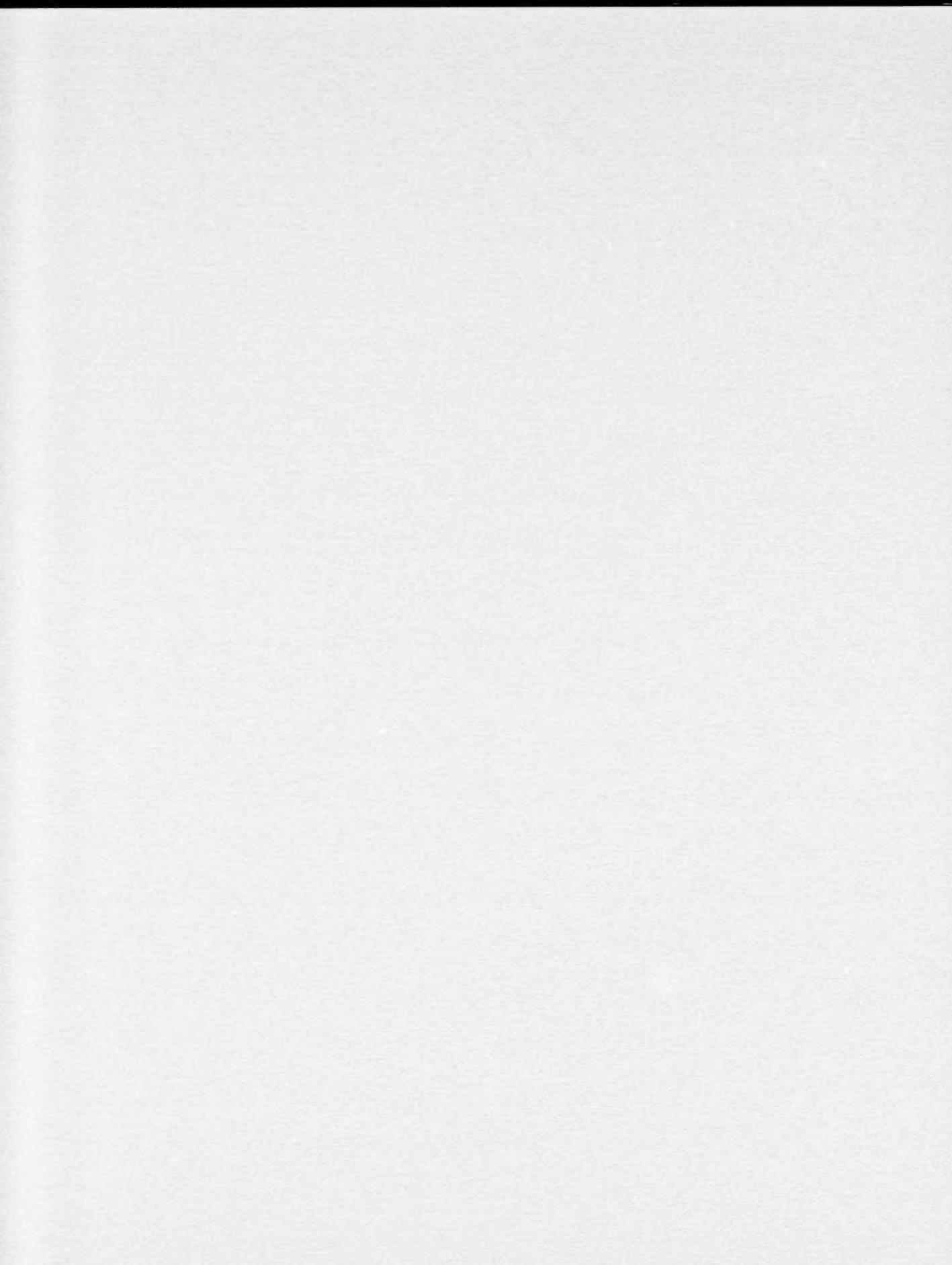


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This annual report is also available in electronic format from the Board's website at www.smb.gov.sk.ca.

Letters of Transmittal



Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Saskatchewan Municipal Board for the year ending December 31, 2013.

A handwritten signature in black ink, appearing to read "Jim Reiter".

Jim Reiter
Minister Responsible
For the Saskatchewan Municipal Board



The Honourable Jim Reiter
Minister Responsible for the Saskatchewan Municipal Board

It is my honour to submit the Annual Report of the Saskatchewan Municipal Board for the year ending December 31, 2013.

A handwritten signature in black ink, appearing to read "Dianne Ford".

Dianne Ford
Chair

Introduction

The annual report for the Saskatchewan Municipal Board (the Board) presents the Board's results on activities and outcomes for the year ending December 31, 2013. It reports to the public and elected officials on public commitments made and other key accomplishments of the Board.

Although a renewed vision in the Saskatchewan Plan for Growth – Vision 2020 and Beyond was introduced in October 2012, the 2013 Annual Report will be presented in relation to the vision and goals that guided the development of the Board's 2012 Strategic Plan.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2012 Strategic Plan.

The Report demonstrates progress made on Government commitments as stated in the Government Direction for 2012-13: Keeping the Saskatchewan Advantage, the Minister's Mandate letter, throne speeches and other commitments and activities of the Board.

The Report also demonstrates the Board's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The Board's activities in 2013 align with Government's vision and four goals:

Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Improving our quality of life.
- Making life affordable.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

The Board supports the Government's goal of **sustaining growth and opportunities for Saskatchewan people** by:

- Providing advice and working with local authorities, primarily municipalities, on capital financing, debt management, sewer and water rate establishment and other related financial matters. This will ensure financial sustainability for municipalities and assist them in addressing critical infrastructure needs while leveraging funding and financing programs available from senior governments.
- Adjudicating applications for alteration of municipal boundaries or amalgamation of municipalities and inter-municipal disputes where there is a disagreement.

Board Overview

The Board's preferred future is indicated in its Vision Statement:

"Focusing on excellence in customer service, the Saskatchewan Municipal Board exemplifies leadership as an administrative tribunal that provides timely, reasoned, consistent decisions and approvals."

The Board is an administrative tribunal established for regulatory and quasi-judicial purposes in dealing with issues from local authorities.

Additionally, the Board serves as the Board of Revenue Commissioners (the BRC), which is responsible to hear and decide appeals on taxes assessed by the province and approves all write-offs and cancellation of debt owing to the province.

Key stakeholders include local authorities, ratepayers, developers, tax agents, financial institutions, Crowns and ministries.

The Board's total 2013 full-time equivalent (FTE) utilization was 12.6 FTEs. This was less than the 13 FTEs budgeted for, due to vacancy and transitioning as the Board undertook to realign its organizational structure. These FTEs were located at the Regina office and included 3 full-time board members. Additionally, the Board had 14 part-time members located throughout the province.

The Board's organization chart is on page 18.

Mandate

The Board is legislatively mandated to exercise discretion of a regulatory and quasi-judicial nature.

The Board's regulatory function is to review the debt obligations of some local authorities and oversee the financial health of municipalities. The Board is also responsible for establishing the debt limit for the cities in the province – totalling \$1.2743 billion as of December 31, 2013.

The judicial function is to hear and determine at the provincial level appeals from the public in municipal matters. These include property tax assessment appeals, municipal planning and development issues, municipal boundary issues, noxious weed orders, and to adjudicate in matters relating to road maintenance agreements and fixed farmland assessment agreements.

Key Services

The Board fulfills the majority of its mandate through "working" committees, which include the Local Government Committee, Municipal Boundary Committee, Assessment Appeals Committee, Planning Appeals Committee, Road Maintenance Agreement Committee, Weed Control Appeals Committee and Fire Prevention Appeals Committee.

Key services of the Board are as follows:

- At the provincial level, hear and determine appeals on matters that require specialized knowledge.
- Review local authorities' long-term debt applications to ensure financial credibility and stability for the municipality.
- Provide assurance of local authorities' financial sustainability to lenders and the public.
- Provide advice and approvals to local authorities on capital financing, debt management, investment policy, water and sewer rates and local improvements.
- Adjudicate applications for alteration of municipal boundaries or amalgamation of municipalities where there is a disagreement over the alteration or amalgamation.
- Provide financial supervision and/or mediation and dispute resolution services as may be referred by a local authority or requested by the appropriate minister.
- Resolve disputes where an agreement cannot be reached to fix the assessed value or property taxes on farm land in an urban municipality.
- Make determinations regarding matters governed by an agreement for road maintenance between a municipality and a hauler.

Progress in 2013

In the fall of 2012 the Board developed a five-year strategic plan. This plan formed the basis of the Board's work in 2013; a year in which the Board strived to build a foundation to support its preferred future.

Strategic Goals

Support Saskatchewan's plan for growth by providing timely approvals to local authorities (primarily municipalities) while ensuring they remain sustainable

Key Actions and Results

- Liaised with city managers to create a more user friendly city debt limit process.
- Initiated process reviews which include the development of simplified, user friendly applications which will support the approval process.
- Complete applications are processed when received as opposed to in date order, thus reducing turnaround time.

Provide timely, well-reasoned and consistent decisions in response to appeals from stakeholders

Key Actions and Results

- Implemented new processes for the BRC that resulted in clearing old, outstanding appeals and ensuring current appeals are managed to prevent further stagnant appeals. Results:
 - 2004 to 2009 appeals: from 16 outstanding appeals as of December 31, 2012, to 3 as of December 31, 2013.
 - 2010 to 2011 appeals: from 27 outstanding appeals as of December 31, 2012, to 9 as of December 31, 2013.
 - Figure 11 provides a summary of the current status of appeals.

- Board members and directors participated in training of new decision making and writing practices, implementing new processes.
- Assisted the Ministry in the development of training material for boards of revision and development appeal boards. Alongside the Saskatchewan Assessment Management Agency and the Ministry, provided training to board of revision members in seven locations.

Create a more flexible organization that is managed effectively and efficiently

Key Actions and Results

- Realigned organizational structure with resources reassigned to professional classifications. This will result in a more flexible organization with staff adaptable to changing mandate and committee workload. Finalization of these changes, including the reinstatement of a fourth full-time member, will occur in early 2014.
- Initiated implementation of technology supports including paperless hearings and technology upgrades.
- Initiated implementation of an electronic case management system to provide a single source for case information and enhance data collection to support performance management.
- In conjunction with the Ministry, initiated implementation of a shared drive to capture and store information used by both organizations. This is a lean-oriented activity which will eliminate the need for stakeholders to send information to both organizations and leverages staff time spent analyzing data.
- Developed stakeholder relationships through attendance and presentations at 22 conferences, association meetings and training sessions. This provides transparency, shares knowledge, builds capacity in the sector and enhances customer service.

Progress and Activity by Key Areas

Local Government Committee

Major Activities

- Approve long-term borrowing including debenture issues.
- Approve local improvements.
- Approve sewer and water rates for towns, villages, rural and northern municipalities.
- Provide advisory assistance.

The purpose of approving long-term borrowing and local improvements is to ensure financial stability of local authorities and compliance with legislation.

The purpose of approving water and sewer rates, charges, tolls or rents, as they relate to service, is to ensure they are equitable for all users and result in the utility being self-sustaining.

Number of Miscellaneous Approvals Issued in 2013

Sewer and Water Rates			
Public Utility Boards	Towns	Villages	Rural Municipalities
4	42	47	15
Establish Debt Limit			
Cities			
6			
Approval in Principle to Borrow (Permission not Finalized in 2013)			
Towns	Rural Municipalities		
1	1		
Approval in Principle to Borrow (Permission Finalized in 2013)			
Towns	Rural Municipalities		
1	1		
Extension of Time for Authorization to Borrow			
Villages			
1			

Progress

- Local authority borrowing, local improvement and utility rate requests reviewed and approved in a consistent and timely manner.

In 2013, the Committee maintained an average timeframe of eight weeks for borrowing permission and sewer and water utility approval requests to be processed.

Figures 1 to 5 illustrate ongoing approvals and authorizations of the Local Government Committee for 2013.

In 2013, the total number of borrowing applications processed declined to 63 from 91 in 2012, and was approximately 63% of the average of 101 authorizations per year during 2010 through 2012.

FIGURE 1

Local Improvement Projects Approved in 2013

PROPOSED WORK AND ESTIMATED COST				
LOCAL AUTHORITY	NUMBER OF PROJECTS	WATER / SEWER MAINS	SURFACE WORKS	TOTAL
Cities	8	\$ -	\$3,178,760	\$3,178,760
Towns	12	867,290	4,177,267	5,044,557
TOTAL	20	\$ 867,290	\$7,356,027	\$8,223,317

Amend Financial Arrangements pursuant to Section 8(2)(b) of The Local Improvements Act, 1993
NIL

FIGURE 2

Debentures Signed and Sealed in 2013

LOCAL AUTHORITY	NUMBER OF DEBENTURES	NUMBER OF ISSUES	TOTAL FACE VALUE	AVERAGE MONEY COST
Rural Municipalities	18	9	\$10,538,157	3.94%
Towns	13	9	11,962,134	3.90%
Villages	4	4	945,548	3.05%
TOTAL	35	22	\$23,445,839	

FIGURE 3

Agreement, Debenture, Loan and Lease Authorizations in 2013

LOCAL AUTHORITY	AGREEMENTS		DEBENTURES		LOANS		LEASES	
	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER
Conservation and Development Area Authorities	-	-	\$ -	-	\$4,987,634	2	-	-
Rural Municipalities	-	-	10,538,157	9	7,134,847	8	-	-
School Divisions	-	-	-	-	-	-	-	-
Towns ¹	-	-	15,980,772	12	10,366,371	20	-	-
Villages	-	-	210,000	2	3,940,000	6	-	-
TOTAL	-	-	\$26,728,929	23	\$26,428,852	36	-	-

¹ Loan amount includes \$1,100,000 for financing of operating expenditures

FIGURE 4

Loans to Others Authorized in 2013

LOCAL AUTHORITY	AMOUNT	NUMBER
Rural Municipalities	\$ 9,638,157	8
Towns	4,969,634	4
Total	\$14,607,791	12

FIGURE 5

Local Authority Historical Overview:

Purpose for Borrowing by Way of Debentures and Loans

CLASSIFICATION	Debentures					Loans				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
INFRASTRUCTURE	In \$000s					In \$000s				
Curbs, Gutters, Sidewalks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153	\$ 60	\$ -	\$ 896	\$ -
Dams & Reservoirs	-	-	608	-		803	2,836	180	800	-
Pavement	350	8,000	9,774	350	108	3,360	1,800	2,817	1,922	7,030
Sewage Treatment, Lagoon	1,483	-	11,909	1,500	3,183	3,309	2,674	7,842	1,820	3,107
Water Facilities	-	3,579	4,717	3,760	18,568	2,558	26,561	11,013	19,079	4,812
Sanitary Sewers, Lift Stations	1,381	175	416	3,153	-	-	2,021	3,523	2,438	5,845
Transit Systems	-	-	-	-	-	-	-	-	-	-
Bridges	-	-	-	-	-	67	-	-	-	-
Gravel	-	-	-	-	-	-	335	-	200	800
Landfill	-	-	-	-	-	-	-	273	-	-
Other	-	-	800	-	-	1,773	-	-	-	-
Total	\$ 3,214	\$ 11,754	\$ 28,224	\$ 8,763	\$ 21,859	\$ 12,023	\$ 36,287	\$ 25,648	\$ 27,155	\$ 21,594
BUILDINGS & LAND										
Offices	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ 729	\$ 817	\$ 720	\$ -	\$ 330
Workshops	-	-	-	-	1,500	-	-	300	-	-
Hospitals, Clinics	-	-	-	-	-	-	-	-	6,800	90
Recreation & Culture	-	1,394	47	-	-	4,970	800	11,650	300	1,000
Schools/Day Care	-	-	-	-	-	1,005	-	-	31,193	540
Land	3,249	623	-	-	-	7,307	3,663	1,490	-	-
Fire Stations	-	-	200	-	-	800	-	-	153	-
Long-term Care Facility	-	-	-	3,550	2,500	-	-	-	-	867
Residential Housing	-	-	-	-	-	162	-	146	140	-
Stores	-	-	-	-	-	-	35	-	-	-
Other	-	-	853	-	760	-	-	100	3,800	311
Total	\$ 3,329	\$ 2,017	\$ 1,100	\$ 3,550	\$ 4,760	\$ 14,973	\$ 5,315	\$ 14,406	\$ 42,386	\$ 3,138
MACHINERY & EQUIPMENT										
Protective	\$ 220	\$ -	\$ -	\$ -	\$ 110	\$ 67	\$ -	\$ -	\$ 68	\$ -
Computers	-	-	-	-	-	67	-	-	-	-
Transportation	-	50	-	-	-	753	831	915	1,565	597
Other	-	-	-	-	-	-	75	-	-	-
Total	\$ 220	\$ 50	\$ -	\$ -	\$ 110	\$ 887	\$ 906	\$ 915	\$ 1,633	\$ 597
Included in above:										
Loans for interim financing						\$ 1,333	\$ 3,252	\$ 9,919	\$ 21,483	\$ 8,429
Loans for refinancing, redeeming, and restructuring outstanding debt						\$ 2,460	\$ 568	\$ 1,149	\$ 775	\$ 2,232

FIGURE 6

Assessment Appeals Committee

Major Activities

- Hear and determine assessment appeals pertaining to the tax exempt status and assessed values of real property; local improvement assessments; and conservation and development area authority assessments.
- Hear direct appeals with respect to industrial or commercial properties exceeding \$1 million in assessed value, where the appellant, the board of revision, and the municipality have agreed to proceed in this manner or where an application for leave to consolidate appeals has been granted.
- Provide advisory assistance.

The purpose is to provide a second level of appeal to applicants and to municipalities or conservation and development area authorities, where they are not satisfied with decisions rendered by the local board of revision.

Progress

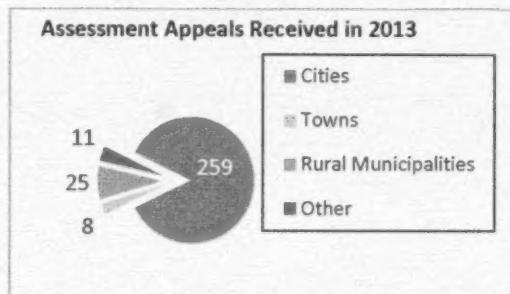
- Appeals are heard and decisions rendered in a consistent and timely manner; pre-hearing conferences conducted, as required, to determine the necessity of subpoenas and to clarify issues to be determined by the Committee.

The Committee strives to hear appeals within a reasonable time of receipt of a notice of appeal, taking into consideration the availability of internal and external resources and efficiency of

scheduling appeals within a geographic proximity. Appeals with similar issues are grouped and heard at the same time, where practical.

Revaluation cycles are four years in Saskatchewan, with 2013 being the first year of the cycle. A number of municipalities received extensions to the time for the board of revision to decide appeals. As a result, approximately two-thirds of the appeals to the Committee in 2013 were received in the last four months of the year, and continued to be received in January 2014.

Figure 8 shows the status of the outstanding appeals. The outstanding 2009, 2010 and 2011 appeals were dependent on Court of Queen's Bench challenges which were finalized in 2013. Two of these are subject to a Committee requested undertaking. It is anticipated decisions on these appeals and the remaining 2012 appeals will be rendered by spring 2014.



Note: Other includes villages, resort villages and northern municipalities.

FIGURE 7

Assessment Appeals Caseload Overview	Appeal Year				
	2009	2010	2011	2012	2013
Received	175	102	112	77	303
Invalid/Withdrawn	10	17	19	12	4
Decided	164	84	91	20	1
To Be Heard:					
- To be scheduled	0	0	0	6	15
- Not scheduled - Awaiting Validation	0	0	0	0	163
- Not Scheduled - Awaiting Board of Revision record	0	0	0	0	115
- Hearing scheduled	0	0	1	6	0
Heard-Decision Pending	1	1	1	33	5

FIGURE 8

Fire Prevention Appeals Committee

Major Activities

- Hear and determine appeals and matters concerning fire prevention arising from orders issued by a fire inspector or fire commissioner or certificate for costs incurred in carrying out an order respecting fire prevention and safety.

The purpose is to provide a second level of appeal to applicants where they are not satisfied with decisions of the local board.

Progress

- Applications are heard and decisions rendered in a consistent and timely manner.

In 2013, the Committee received, heard and decided one appeal. The last appeal was received in 2006.

Planning Appeals Committee

Major Activities

- Hear and determine appeals relating to municipal planning and development of the subdivision of land.

- Provide advisory assistance.

The purpose is to provide a provincial level of appeal to applicants where they are not satisfied with decisions rendered by the local development appeals board or an authorized subdivision approving authority. Also, to provide an avenue for appeals where there is no local development appeals board.

Progress

- Applications are heard and decisions rendered in a consistent and timely manner.

The Committee strives to hear appeals as soon as practical on receipt of a complete application. The Committee is sensitive to the construction period when scheduling hearings.

Where legislation permits, the Committee endeavours to facilitate an agreement between the affected parties prior to a formal hearing.

Figure 9 shows the status of the outstanding appeals and a historic review of the caseload of the Committee. Of the appeals received in 2013, 19 related to development issues, two to subdivision applications and five to servicing agreements.

Planning Appeals Caseload Overview	Appeal Year				
	2009	2010	2011	2012	2013
Received	17	22	18	29	26
Invalid/Withdrawn	1	4	4	4	7
Awaiting information	0	0	0	0	3
Decided	16	18	14	22	6
To Be Heard:					
- To be scheduled	0	0	0	0	2
- Heard - Adjourned indefinitely at request of parties	0	0	0	1	1
- Hearing scheduled	0	0	0	0	3
Heard - Decision pending	0	0	0	2	4

FIGURE 9

Municipal Boundary Committee

Major Activities

- Review applications for the alteration of municipal boundaries or the amalgamation of municipalities.
- Provide advisory assistance.

The purpose of reviewing applications is to facilitate an agreement between the affected parties or, where this cannot be accomplished, to hear and decide on the proposed alteration.

The full-time members of the Board and part-time members representing the Saskatchewan Urban Municipalities Association (SUMA) and Saskatchewan Association of Rural Municipalities (SARM) comprise this committee.

Progress

- Applications are heard and decisions rendered in a consistent and timely manner; where possible a facilitated agreement is achieved.

The Committee strives to hear and decide within the legislated timeframe of four months from notification that mediation was not successful in resolving the dispute between the parties of a completed application received by the Board.

Decisions are based on a basic framework of *The Municipal Board Act*, which specifies the matters the Committee shall take into consideration respecting boundary disputes.

As of December 31, 2012, the Committee had two applications actively before it. In 2013, the Committee rendered a decision on one file and the municipality withdrew the second application. No applications were received in 2013.

Road Maintenance Agreement Committee

Major Activities

- At a first level, hear and determine applications relating to road maintenance agreement issues including whether or not a proposed agreement is required and subsequent terms.
- In cases where the parties have entered into an agreement, any issue involving any matter governed by the agreement.
- Provide advice and guidance to the municipalities and the haulers regarding the determination process.

Progress

- Adjudications occur and determinations rendered in a consistent and timely manner. The Committee is legislatively required to make a determination within ten business days of receiving a valid application, subject to extension by written agreement by the parties.

In each of 2010 and 2011, the Committee received one application for determination. The number of applications and inquiries has been increasing each year, as has the complexity of the issues being brought forward. In 2013, two of the Committee's determinations were challenged to the Court of Queen's Bench. One of these remains outstanding.

Figure 10 shows the status of the outstanding appeals and a historic review of the past two years of the caseload of the Road Maintenance Agreement Committee.

Road Maintenance Agreement Caseload Overview	2012	2013
Received	6	8
Invalid	0	1
Withdrawn:		
- Prior to determination	1	3
- Resolved at determination	1	0
No jurisdiction	0	1
Decided	4	3
Heard – Decision Pending	0	0

FIGURE 10

Board of Revenue Commissioners

The Board of Revenue Commissioners (BRC) is established pursuant to Section 13(1) of *The Revenue and Financial Services Act*. The Act appoints full-time members of the Saskatchewan Municipal Board as members of the BRC. The Minister in charge is the Minister of Finance.

Major Activities

- At a first level, hear and determine appeals respecting taxes imposed or assessed pursuant to and by virtue of any provincial taxing enactment and respecting other monies claimed to be due and payable to the Crown, where the right of taking an appeal to the BRC is given by any statute.
- Approval of any write-off or cancellation of monies owing to the Crown.

Progress

- Applications are heard and decisions rendered in a consistent and timely manner; where

- possible a facilitated agreement is achieved.
- Requests for write-offs and cancellations are reviewed and approved in a consistent and timely manner.

The number of appeals filed with the BRC is dependent on the number of Notice of Assessments issued by the province respecting provincial tax legislation. Historically, a number of appeals remained outstanding for several years as the appellant could not be located, the matter was resolved and the appellant failed to withdraw the appeal, or the appellant was bankrupt. In 2013, a process was developed to allow the BRC to hear and close these files. Additionally, the BRC adopted a 'leaned process' that manages the negotiations and provides for improved timing of hearings where negotiations are not successful. Figure 11 shows the status of outstanding BRC appeals.

Figure 12 shows the historical level of write-offs and cancellations approved by the BRC. A request may involve a single account or a listing including multiple accounts.

Board of Revenue Commissioners Caseload Overview	Appeal Year						
	2004-2007	2008	2009	2010	2011	2012	2013
Received	103	37	13	35	22	6	23
Invalid/Withdrawn	73	18	9	29	17	3	5
Decided:	23	15	4	1	0	0	0
- File Closed	7	1	0	1	0	0	0
To Be Heard:							
- Not Scheduled - Awaiting submission ¹	0	0	0	1	0	2	15
- Not Scheduled - Awaiting information	0	0	0	1	1	1	0
- Hearing scheduled	0	1	0	2	3	0	0
- To be scheduled	0	0	0	0	1	0	0
To Be Closed:							
- Appellant cannot be located or is bankrupt or matter resolved and awaiting withdrawal from appellant	0	0	0	0	0	0	2
Heard-Demand Pending	0	2	0	0	0	0	1

¹ These appeals are generally in the process of negotiations or audit in progress.

FIGURE 11

	2009		2010		2011		2012		2013	
	No.	\$'	No.	\$'	No.	\$'	No.	\$'	No.	\$'
Cancellations	9	\$ 46,645	7	\$ 12,542,023	23	\$ 4,313,200	13	\$ 642,116	13	\$ 1,476,306
Write-Offs	46	\$ 6,666,234	22	\$ 1,844,506	39	\$ 9,367,968	23	\$ 5,221,621	32	\$ 11,722,411
TOTAL	55	\$ 6,712,879	29	\$ 14,386,529	62	\$ 13,681,168	36	\$ 5,863,737	45	\$ 13,198,717

Note: One write-off for \$20,287.13 was received on December 31, 2013 and not approved until 2014.

FIGURE 12

Goals for 2014

After a year of working with the Strategic Plan, the Board refreshed the Plan to reflect the following goals:

Thematic:

- Issue appeal decisions within an average 60 days from the date of the hearing.
- Issue decisions on Local Government Committee applications an average 45 days from receipt of a complete application.

Supporting:

- Streamline stakeholder applications and appeal processes by September 30, 2014.
- Acquire and implement technological solutions by September 30, 2014, that will support the attainment of the Strategic Plan.
- Enhance customer service and stakeholder relations.

The Board intends to focus on the following initiatives in 2014:

Technology:

- Finalize implementation of case management software.
- Finalize implementation of electronic file management (paperless hearings) solution.
- Complete upgrade to Windows 7.
- Research and implement a decision portal and search software.
- Create the plan to modernize the website to address critical need for building capacity, ensuring a customer friendly resource for those utilizing the services of the Board and staging implementation as resources permit.

Organizational Rejuvenation:

- Finalize process reviews and lean initiatives to increase the efficiency and effectiveness of work processes.
- Implementation of best practices for decision making and writing.
- Finalize organizational realignment.
- Define staff responsibility and accountability; ensure appropriate training and accountability measures are in place.

Stakeholder Engagement:

- Standardize and simplify the application forms.
- Continue to build stakeholder relations through attendance at meetings and conventions, presentations and training sessions.
- Development of a customer service survey and related tracking system.
- Engage stakeholders in process discussions to provide transparency and build capacity.

By focusing on these initiatives, the Board will develop the framework necessary to measure and achieve its thematic goals. The needs of stakeholders will be met by providing the quality of service they require, when they require it and delivered in a way that they need it.

2013 Financial Overview

Financial Results

Total 2012-13 expenses for the Board were \$1.360 million, representing a variance of \$47 thousand under the approved appropriation, primarily as the result of lower salary payments due to vacancy and lower than anticipated honorariums and travel expenses due to fewer appeals than anticipated.

The total 2012-13 revenues were \$64.3 thousand, a variance of \$12.5 thousand above budget. The variance is primarily due to greater than normal debenture authorization fees from a larger number of debentures with a higher dollar value.

The operating and staffing costs associated with the BRC are absorbed within the Saskatchewan Municipal Board's budget.

Statement of Expenditure

Subvote/Subprogram	Actual 2012-13	Budget / Estimate 2012-13			Variance Over/(Under)	Note	
		In thousands of dollars					
Administration/Local Government Committee							
Salaries	\$ 842	\$ 745		\$ 97	(1)		
Operating Expenses	304	248		56	(2)		
Subtotal	1,146	993		153			
Planning Appeals Committee							
Salaries	49	104		(55)	(3)		
Operating Expenses	15	6		9	(4)		
Subtotal	64	110		(46)			
Assessment Appeals Committee							
Salaries	137	265		(128)	(3)		
Operating Expenses	13	39		(26)	(5)		
Subtotal	150	304		(154)			
TOTAL	\$1,360	\$1,407		\$ (47)			

Explanations of Variances - Notes

- 1 - Higher than anticipated due to organizational realignment.
- 2 - Higher than anticipated office and general contractual costs, primarily technology enhancements, and travel expenses.
- 3 - Less than anticipated caseload level for appeals.
- 4 - Higher than anticipated travel costs required as the result of more out of town appeals.
- 5 - Less travel costs required as the result of less than anticipated caseload level and delays in hearings outside Regina.

Statement of Revenue

Description of Revenue	Actual 2012-13	Budget / Estimate 2012-13		Variance Over/(Under)	Note
Filing Fees	\$ 10,700	\$ 20,000	\$ (9,300)	[1]	
Debenture Authorizations	50,500	30,000	20,500	[2]	
Debenture Forms	3,050	4,000	(950)		
TOTAL	\$ 64,250	\$ 54,000	\$ 10,250		

Explanations of Variances - Notes

- 1 - Filing fees are treated as conditional receipts until the finalization of the appeal, which may take up to three years. Appellants that are successful in their appeal or withdraw their appeal have the fee refunded to them. Where the appellant is not successful in their appeal, the filing fee is transferred from conditional receipts to revenue. The Board has traditionally refunded approximately 50% of the revenue received for filing fees. There was a greater than anticipated percentage of appellants successful in their appeal and a less than anticipated number of appeals filed.
- 2 - A higher than anticipated number and dollar value of debentures issued, primarily due to the favourable interest rate offered.

Financial Accountability Statement

The Board is responsible for ensuring:

- public accountability for Government finances entrusted to the Board;
- fiscally responsible management of its resources and financial affairs;
- compliance with existing legislation and regulations;
- systems and controls are in place to safeguard public assets; and,
- appropriate results are reported to the public and the legislature.

There are a number of external controls in place to monitor these responsibilities. These include:

Audited Results - The Provincial Auditor's Office has legislative responsibility to audit the Board in conjunction with the Ministry of Government Relations audit. Audit conclusions are published in a report to the Legislative Assembly of Saskatchewan. If a deficiency is reported by the Provincial Auditor, the Board may be called to appear before the Public Accounts Committee of the Legislature.

Accountable to Legislature - The Board's annual budget is detailed in the Saskatchewan Provincial Budget Estimates. The Board is called to appear before a Legislative Committee to defend the Board's budget estimates.

Public Reporting - Expense and revenue details as they pertain to the Board are published in the Board's Annual Report, and included with the Ministry of Government Relations in the Public Accounts Volumes 1 and 2.

For More Information

Additional information about the Saskatchewan Municipal Board is available at www.smb.gov.sk.ca and the Board of Revenue Commissioners is available at www.gov.sk.ca/BRC.

The website includes general and detailed information about the Board, its key services and legislation for which the Board is responsible.

For more information about the Board, or to provide feedback about our 2013 Annual Report, please contact us at:

Phone: (306) 787-6227

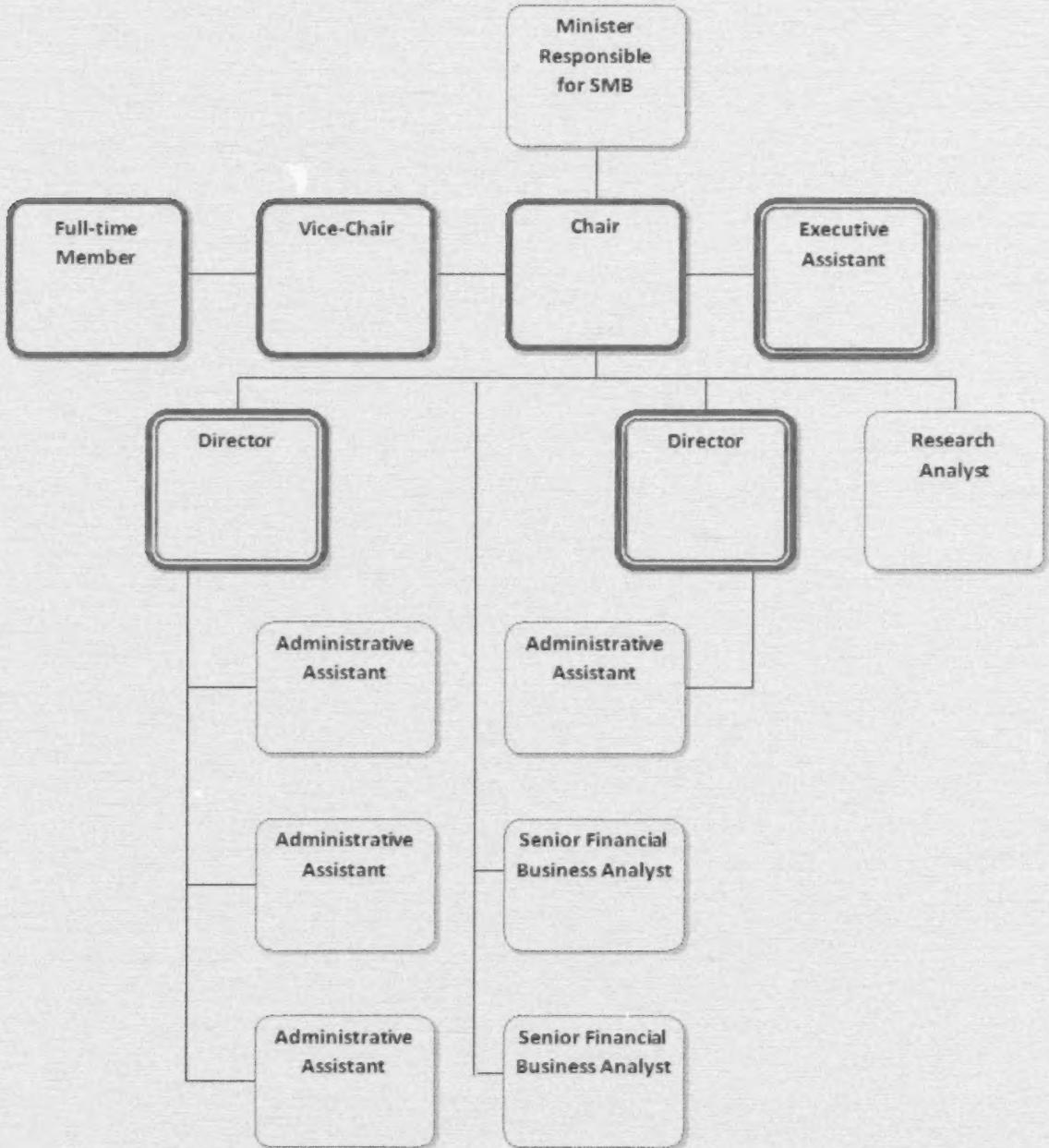
Email: info@smb.gov.sk.ca

Mailing address:

Director, Saskatchewan Municipal Board
480 - 2151 Scarth Street
REGINA SK S4P 2H8

Appendices

Appendix 1 - Organizational Chart



Appendix 2 – Legislation

The Board fulfills its mandate through a number of acts and their associated regulations. Enabling legislation is listed below:

*The Assessment Management Agency Act
The Cities Act
The Conservation and Development Act
The Education Act, 1995
The Fire Prevention Act, 1992
The Local Improvements Act, 1993
The Municipal Board Act
The Municipalities Act
The Northern Municipalities Act, 2010
The Planning and Development Act, 2007*

The Board has authority to approve or determine matters under several other acts. However, applications and/or appeals under these acts are not often received.

The Board fulfills its mandate as the BRC through the following enabling legislation:

*The Corporation Capital Tax Act
The Crown Minerals Act
The Provincial Sales Tax Act
The Fire Prevention Act, 1992
The Freehold Oil and Gas Production Tax Act
The Fuel Tax Act, 2000
The Liquor Consumption Tax Act
The Mineral Taxation Act, 1983
The Revenue and Financial Services Act
The Tobacco Tax Act, 1998*

There are eight other acts the BRC has authority to approve or determine matters under. However, appeals pursuant to these acts are not often received.

